

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 3675 – HB 3718

May 5, 2010

SUMMARY OF AMENDMENT (017353): Deletes the language of the original bill. Requires any facility that extracts, purifies, dehydrates or treats landfill methane rendering it eligible for transport by natural gas pipelines to be considered a qualified pollution control facility for the purposes of assessing value for ad valorem taxes.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Revenue – Exceeds \$300,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On May 3, 2010, we issued a fiscal memorandum. Upon receiving additional information, one assumption has been corrected. The fiscal impact of the memorandum is unchanged.

(CORRECTED)

Increase State Revenue - Not Significant

Decrease Local Revenue – Exceeds \$100,000

Assumptions applied to amendment:

- According to the Department of Revenue, sales of converted landfill methane could result in a not significant increase to the gross receipts tax or state sales tax.
- Based on information provided by the Comptroller, this bill will effectively reduce the tax rate on tangible personal property for one private facility to 0.5 percent from \$3.555 per \$100 of assessed value.

SB 3675 – HB 3718 (CORRECTED)

- According to the Comptroller of the Treasury, reducing the tax rate on tangible personal property to 0.5 percent for one company will result in a decrease to local government revenue exceeding \$100,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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